

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY TEHRAN

INFO AMEMBASSY PANAMA

UNCLAS STATE 091227

E.O. 11652: N/A

TAGS: APUB: PN

SUBJ: PRESS RELEASE ON EXIMBANK CREDIT TO B.J. SERVICE IRAN, INC

FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-

IMPORT BANK RELEASE ON THE DIRECT CREDIT OF DOLS 753,300 TO

B.J. SERVICE IRAN, INC. (BJ). RELEASE IS SCHEDULED

FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A.M. PAPERS, TUESDAY,

APRIL 29, 1975

QUOTE: EXIMBANK CREDIT OF DOLS 753,300 SUPPORTS DOLS 1,860,000

SALE OF U.S. OIL WELL EQUIPMENT TO PANAMANIAN COMPANY

TO HELP FINANCE PART OF A DOLS 1,860,000 SALE OF U.S. OIL WELL

SERVICING EQUIPMENT TO A PANAMANIA CORPORATION, THE BOARD OF

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DIRECTORS OF THE EXPORT-IMPRT BANK OF THE UNITED STATES,

PURSUANT TO A PRELIMINARY COMMITMENT FROM EXIMBANK, HAS AUTHORIZED A DIRECT CREDIT OF DOLS 753,300 TO FINANCE UP TO 45 PERCENT OF THE TOTAL U.S. COSTS, ACCORDING TO EXIMBANK'S CHAIRMAN WILLIAM J. CASEY. A CREDIT OF DOLS 753,300 FROM WELLS FARGO BANK, SAN FRANCISCO, WILL FINANCE UP TO ANOTHER 45 PERCENT OF THE U.S. COSTS. THE OBLIGOR, B.J. SERVICE IRAN, INC. (BJ), WILL MAKE CASH PAYMENT OF THE BALANCE OF THE U.S. COSTS OF AT LEAST 10 PERCENT OR DOLS 186,000. BJ IS A PANAMANIAN CORPORATION ESTABLISHED IN 1973 FOR THE SOL PURPOSE OF PROVIDING OIL WELL CEMENTING AND STIMULATION SERVICE IN IRAN. IT IS 51 PERCENT OWNED BY BYRON JACKSON, INC. A WHOLLY-OWNED SUBSIDIARY OF HUGHES TOOL COMPANY AND 49 PERCENT OWNED BY THREE IRANIANS.

BYRON JACKSON SERVICE EQUIPMENT COMPANY OF LOS ANGELES WILL MANUFACTURE THE PUMPS AND FABRICATE THE QUIPMENT WITH MAJOR COMPONENTS TO BE FURNISHED BY CUMMINS ENGINE COMPANY OF COLUMBUS, INDIANA; INTERNATIONAL HARVESTER CORPORATION OF CHICAGO; MACK TRUCK CORPORATION OF ALLENTOWN, PENNSYLVANIA; AND EATON CORPORATION OF CLEVELAND.

THE LOANS ARE TO BE REPAID IN 9 SEMIANNUAL INSTALLMENTS BEGINNING JULY 5, 1975. INTEREST ON EXIMBANK'S DIRECT CREDIT OF DOLS 753,300 WILL BE AT THE RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENJED WITH THE PORTION OF THE CREDIT FROM PRIVATE SOURCES RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWER, BASED ON CURRENT RATES OF ABOUT 8.67 PERCENT TO 8.92 PERCENT PER ANNUM. REPAYMENT OF THE LOANS IS TO BE GUARANTEED BY HUGHES TOOL COMPANY. UNQUOTE. KISSINGER

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OF EXPORT-
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